



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

MARIA M. OMS
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JUDI E. THOMAS

July 8, 2009

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **LOS ANGELES COMMUNITY COLLEGE DISTRICT - LOS ANGELES
MISSION COLLEGE CONTRACT REVIEW – A COMMUNITY AND
SENIOR SERVICES WORKFORCE INVESTMENT ACT PROGRAM
PROVIDER – FISCAL YEAR 2008-09**

We completed a program, fiscal and administrative contract compliance review of Los Angeles Community College District of Los Angeles Mission College (LACCD or Agency), a Community and Senior Services (CSS) Workforce Investment Act (WIA) Program provider.

Background

CSS contracts with LACCD, an educational institution, to provide and operate the WIA Adult and Dislocated Worker Programs. The Programs assist individuals obtain employment, retain their jobs and increase their earnings. LACCD's office is located in the Third District.

LACCD is compensated on a cost reimbursement basis and has a contract for \$304,027 for Fiscal Year (FY) 2008-09.

Purpose/Methodology

The purpose of our review was to determine whether LACCD complied with its contract terms and appropriately accounted for and spent WIA funds in providing the services

outlined in their County contract. We also interviewed Agency staff and evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

Results of Review

Generally, LACCD provided the program services to eligible participants and maintained sufficient controls over its business operations. In addition, LACCD appropriately charge program expenditures to the WIA programs. However, LACCD did not always comply with WIA and County contract requirements. Specifically, LACCD did not:

- Obtain criminal clearances for four (80%) of the five employees sampled. A similar finding was also noted during the prior year's monitoring review.
- Meet all the FY 2008-09 second quarter planned performance outcomes outlined in the County contract for the WIA Adult and Dislocated Worker Programs.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with LACCD, and in their attached response, LACCD concurred with our findings and recommendations.

We thank LACCD for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB

Attachment

- c: William T Fujioka, Chief Executive Officer
Cynthia D. Banks, Director, Department of Community and Senior Services
Edgardo Zayas, Director, Los Angeles Community College District of Los Angeles
Mission College
Kelly G. Candaele, President, Board of Trustees, Los Angeles Community College
District of Los Angeles Mission College
Public Information Office
Audit Committee

**WORKFORCE INVESTMENT ACT PROGRAM
LOS ANGELES COMMUNITY COLLEGE DISTRICT -
LOS ANGELES MISSION COLLEGE
FISCAL YEAR 2008-09**

ELIGIBILITY

Objective

Determine whether Los Angeles Community College District of Los Angeles Mission College (LACCD or Agency) provided services to individuals that meet the eligibility requirements of the Workforce Investment Act (WIA).

Verification

We reviewed the case files for 20 (23%) (ten adults and ten dislocated workers) of the 88 participants that received services from July 2008 through February 2009 for documentation to confirm their eligibility for WIA services.

Results

Generally, LACCD maintained appropriate documentation to support the eligibility of the 20 participants sampled.

Recommendation

None.

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether LACCD provided the services in accordance with the County contract and WIA guidelines. In addition, determine whether the participants received the billed services.

Verification

We reviewed the documentation contained in the case files for 20 (23%) participants that received services from July 2008 through February 2009.

Results

Generally, LACCD provided the services in accordance with the County contract and WIA guidelines.

Recommendation

None.

PERFORMANCE OUTCOME**Objective**

Determine whether LACCD met the planned performance outcomes as outlined in the County contract. The performance outcomes included measuring the number of participants that enrolled in the program, exited the program, completed training and/or gained employment.

Verification

We compared their Fiscal Year (FY) 2008-09 actual performance outcomes for the second quarter to the planned performance outcomes outlined in the County contract.

Results

LACCD did not meet all the FY 2008-09 second quarter planned performance outcomes outlined in the County contract for the WIA Adult and Dislocated Worker Programs. Specifically:

WIA PROGRAMS	Planned Enrollments	Actual Enrollments	% of Planned Enrollments	Planned Exits	Actual Exits	% of Planned Exits	Planned Training	Actual Training	% of Planned Training	Planned Placement	Actual Placement	% of Planned Placements
ADULT	MET PLANNED PERFORMANCE OUTCOMES			10	2	20%	1	0	0%	8	2	25%
DISLOCATED WORKER	MET PLANNED PERFORMANCE OUTCOMES			15	11	73%	4	0	0%	MET PLANNED PERFORMANCE OUTCOME		

Recommendation

1. LACCD management ensure that planned performance outcomes are met as required by the County contract.

CASH/REVENUE**Objective**

Determine whether cash receipts and revenue are properly recorded in the Agency's records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash, petty cash and other liquid assets.

Verification

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's bank activity from November 2008 through January 2009.

Results

LACCD maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner.

Recommendation

None.

EXPENDITURES/PROCUREMENT**Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented and accurately billed.

Verification

We interviewed Agency personnel, reviewed financial records and reviewed documentation to support 17 non-payroll expenditure transactions billed by the Agency for September, November and December 2008, totaling \$5,509.

Results

Generally, LACCD's expenditures were allowable, properly documented and accurately billed to Community and Senior Services (CSS).

Recommendation

None.

ADMINISTRATIVE CONTROLS/CONTRACT COMPLIANCE**Objective**

Determine whether the Agency maintained sufficient internal controls over its business operations. In addition, determine whether the Agency is in compliance with other program and administrative requirements.

Verification

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

Results

Generally, LACCD maintained sufficient internal controls over its business operations and complied with other program and administrative requirements.

Recommendation

None.

FIXED ASSETS AND EQUIPMENT**Objective**

Determine whether LACCD's fixed assets and equipment purchases made with WIA funds are used for the WIA Programs and are safeguarded.

Verification

We interviewed Agency personnel and reviewed the Agency's fixed assets and equipment inventory listing. In addition, we performed an inventory and reviewed the usage of 20 items purchased with WIA funds, totaling \$23,569.

Result

LACCD used the equipment purchased with WIA funds for the WIA Programs and the assets were safeguarded.

Recommendation

None.

PAYROLL AND PERSONNEL**Objective**

Determine whether payroll expenditures were appropriately charged to the WIA Programs. In addition, determine whether the Agency obtained criminal record clearances, verified employability, and maintained current driver's licenses and proof of automobile insurances for the employees assigned to the WIA Programs.

Verification

We traced the payroll expenditures invoiced for seven employees totaling \$24,964 for December 2008 to the Agency's payroll records and time reports. We also interviewed one employee and reviewed the personnel files for five employees assigned to the WIA Programs.

Results

Generally, LACCD appropriately charged payroll expenditures to the WIA Programs. However, LACCD did not obtain criminal clearances as required by Section 27.4 of the County contract for four (80%) of the five employees sampled. A similar finding was also noted during the prior year's monitoring review.

Recommendation

2. LACCD management obtain criminal clearances for all employees.

COST ALLOCATION PLAN**Objective**

Determine whether LACCD's Cost Allocation Plan was prepared in compliance with the County contract and the Agency used the Plan to appropriately allocate shared program expenditures.

Verification

We reviewed the Cost Allocation Plan and a sample of expenditures incurred by the Agency in September, November and December 2008 to ensure that the expenditures were properly allocated to the Agency's programs.

Results

LACCD's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

Recommendation

None.

CLOSE-OUT REVIEW**Objective**

Determine whether the Agency's FY 2007-08 final close-out invoices for the WIA Adult and Dislocated Worker Programs reconciled to the Agency's financial accounting records.

Verification

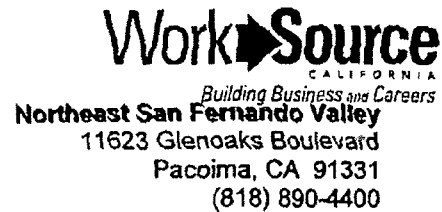
We traced LACCD's FY 2007-08 general ledgers to the Agency's final close-out invoices for FY 2007-08. We also reviewed a sample of expenditures incurred in April, May and June 2008.

Results

LACCD's final close-out invoices for the WIA Adult and Dislocated Worker Programs reconciled to the Agency's financial records.

Recommendation

None.



May 29, 2009

Wendy L. Watanabe
Auditor-Controller
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 S. Figueroa Street, 8th Floor
Los Angeles, CA 90071

Dear Ms. Watanabe:

This is in response to your final monitoring report, which we received on May 26, 2009 in regards to the monitoring visit that your agency conducted on March 10, 2009.

The following is our response to the final report and the findings:

PERFORMANCE OUTCOME

Objective

Determine whether LACCD met the planned performance outcomes as outlined in the County contract. The performance outcomes included measuring the number of participants that enrolled in the program, exited the program, completed training and/or gained employment.

Recommendation

1. LACCD management ensure that planned performance outcomes are met as required by the County contract.

Response

Traditionally, our WorkSource Center recruits and enrolls new customers during the first two quarters of the year. Since the population we serve are mostly people with multiple barriers, monolingual Spanish speakers and basic skills deficient, the need for basic and vocational upgrades becomes a part of the employment plan. This being the case, most participants will receive training for a minimum of six months which delays placement rates. Therefore, placement assistance is done during the third and fourth quarters. Furthermore, in today's labor force, placement is becoming an issue not only with our "job ready" participants, but especially with our multiple barrier populations.

Due to the downturn in the economy, the high unemployment rates and the multiple barriers to employment faced by our clients, securing employment is challenging at this time. However, our case managers and business representative are working in developing some strategies that will help us with job placement.

PAYROLL AND PERSONNEL

Objective

Determine whether payroll is appropriately charged to the WIA programs. In addition, determine whether personnel files are maintained as required.

Recommendations

LACCD management:

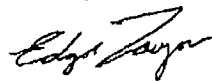
2. Obtain a criminal clearance for all employees.

Response

The Los Angeles Community College District requires that all applicants for employment in the LACCD must be fingerprinted or go through a Live Scan before being assigned to a position in the District. LACCD recently re-submitted applications for Live Scan for all WorkSource Employees in April 2009 (fingerprinting had previously been done at initial point of hire). Results are sent electronically from Department of Justice to LACCD Employer Employee Relations Unit for clearance. It is expected that results may be ready to be submitted to L.A. County once the process is complete.

If you have any question or need further information, please contact, Maricela Quevedo at (818) 899-1529.

Sincerely,



Edgardo Zayas
Dean of Academic Affairs